

ACQUISITION REFORM TRAINING MODULE
Implementing SAP/FACNET

- **Using Simplified Acquisition**
- Using Simplified Acquisition Exercise
- Streamlining with FACNET
- Streamlining with FACNET Exercise

5/24/96

Using Simplified Acquisition

1

Welcome to Implementing SAP/FACNET.

This set consists of two separate lectures, each followed by a practical exercise to reinforce the major teaching points. This module illustrates two of the Acquisition Reform Guiding Principles, empowerment and world class solicitations.

The first lecture is Using Simplified Acquisition. It outlines the new simplified acquisition procedures created by the Federal Acquisition Streamlining Act of 1994. The lecture focuses on the micropurchase threshold and the various methods used to procure above and below that threshold. It also identifies how some of the changes affect small businesses.

The lecture will also highlight the benefits of the new procedures and skills required for the workforce to realize those benefits. It is followed by an exercise that will allow the student, when given sample requirements, to be able to identify correct contracting methods for satisfying the requirements. There is also a case study on small business set-asides.

Benefits

Savings

Satisfaction



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2

There are significant benefits to be enjoyed by both the Government and industry by using simplified acquisition and they are straightforward.

Simplified acquisition empowers people to act quickly with reduced regulation. Changes have been made in a number of simplified procedures that streamline the process. Using simplified acquisition:

- Solicitations are shorter.
- Contracting methods are more direct.
- Payment methods are quicker and more accurate.
- Competition requirements are less burdensome.
- Selections are easier to make and require less documentation.
- Some laws are no longer applicable.
- The Simplified Acquisition Threshold covers more of the requirements than ever before.

All of this results in less paperwork and less cost for the contractor and the Government as well as quick goods and service for the customer. The benefits are savings and satisfaction.

Skills

- Interpret thresholds
- Select appropriate method
- Prepare solicitation
- Make award



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3

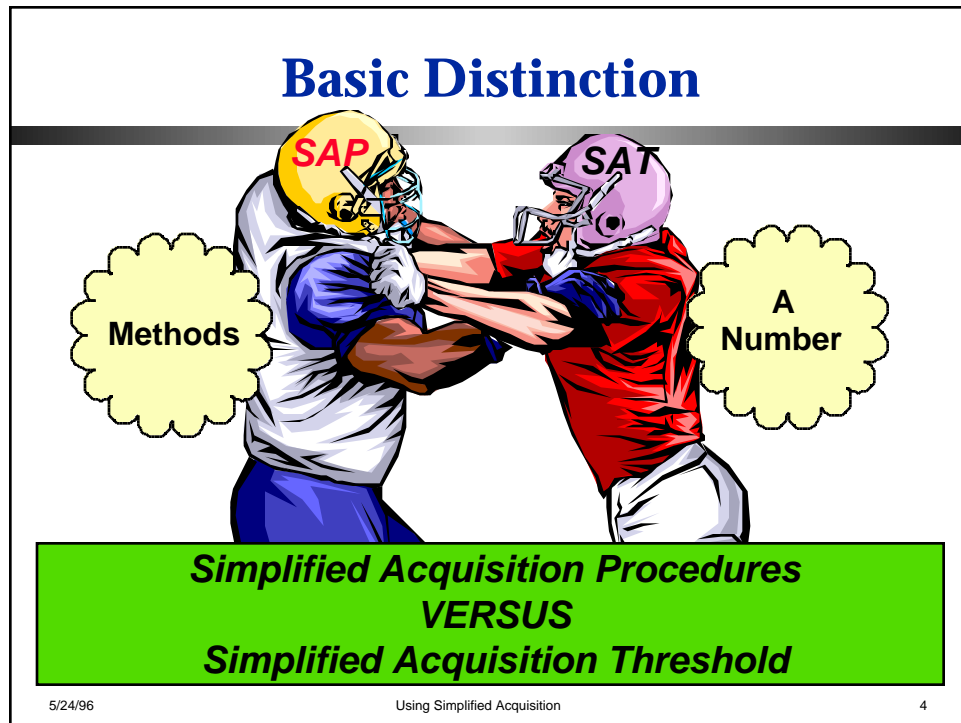
In order to use simplified acquisition procedures, it is not so much that new skills are required as it is using old skills under new circumstances.

There are new thresholds to interpret. The higher thresholds include amounts that have not been customary for simplified methods. Consequently, a change is needed in the mind set of both the customer and the contracting professional to take full advantage of the benefits to be gained.

The methods are basically the same with two caveats. There is the addition of the Federal Acquisition Computer Network, or FACNET, which will be discussed in the next lecture. Additionally, although it is not a new method, widespread use of the purchase card is strongly encouraged under the appropriate circumstances.

Preparing solicitations can vary from informal verbal requests to formal written requests. However the use of clauses has been significantly reduced under simplified acquisition.

Finally, award can be based on price or price plus other factors. If other factors are used in evaluation, a minimum amount of documentation is required.



Before we go any further, I want to draw your attention to the basic distinction between Simplified Acquisition Procedures (SAP) and the Simplified Acquisition Threshold (SAT). Simplified Acquisition Procedures mean the methods prescribed in FAR Part 13 for making purchases of supplies or services using imprest funds, purchase orders, blanket purchase agreements, government-wide commercial purchase cards, or any other appropriate authorized method (FAC 90-29, paragraph 13.101).

Simplified Acquisition Threshold means \$100,000. In the case of any contract to be awarded and performed, or purchase to be made outside the United States in support of a contingency operation, the term means \$200,000 (FAC 90-29, paragraph 13.101). Using simplified acquisition requires the correct application of both procedures and thresholds.

Simplified Acquisition Procedures - Purpose

- *Reduce administrative costs*
- *Improve opportunities for small and small disadvantaged business concerns*
- *Promote efficiency and economy in contracting*
- *Avoid unnecessary burdens for agencies and contractors*

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5

Next, a quick look at the purpose of simplified acquisition procedures. Acquisition is an administrative service necessary to obtain goods and services. FASA streamlined some of the steps, for both the Government and the contractor, from that administrative service, reducing costs and speeding up delivery. Savings, while important, was not the only goal. FASA also sought to improve the visibility of all government requirements and provided an expanded reservation for small business. Using technology and procedures, FASA created an environment of empowerment for both the contracting officer and the customer. Saving money, improving opportunity and efficiency, and avoiding burdens is at the core of simplified acquisition procedures.

Simplified Acquisition Procedures - Policy

- ***Shall be used to the maximum extent practicable***
- ***Simplified Acquisition Procedures to \$50,000 only unless interim FACNET certified then to \$100,000***
- ***Estimate versus award***




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The policy for the use of simplified acquisition procedures is stated here:

- First, the procedures should be used to the maximum extent practicable.
- Second, use of simplified acquisition procedures up to the Simplified Acquisition Threshold of \$100,000 depends on whether or not an activity has been interim FACNET certified. We will learn more about that in the next lecture.
- Third, estimates above the simplified acquisition threshold preclude the use of the simplified acquisition threshold even though resulting awards do not exceed the simplified acquisition threshold. Estimates that are below the simplified acquisition threshold, but that would result in an award above simplified acquisition threshold, must be converted to the appropriate method.

Simplified Acquisition Procedures - Policy

- ***Personal services***
 - ***FACNET preferred means above micro-purchase threshold***
 - ***Reasonable opportunity to respond***
 - ***Innovation***
 - ***Circumstances may warrant other than SAP under SAT***
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- Fourth, simplified acquisition procedures may be used to acquire personal services if the agency has specific statutory authority to acquire personal services.
- Fifth, FACNET is the preferred means above the micro-purchase threshold and below the simplified acquisition threshold.
- Sixth, contracting officers shall establish deadlines for the submission of responses to solicitations which afford contractors a reasonable opportunity to respond.
- Seventh, contracting officers are encouraged to be innovative using simplified acquisition procedures. Other FAR parts may be adapted, such as Part 14, Sealed Bidding; Part 15, Contracting by Negotiation; Part 12, Acquisition of Commercial Items; and Part 36, Construction and Architect-Engineer Contracting.
- Finally, there may be a requirement under the simplified acquisition threshold that works better using procedures other than simplified acquisition procedures. For instance, a complex requirement calling for discussions on the technical proposal may be best handled using Part 15, Contracting by Negotiation.

Threshold Determinations



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8

One of the early functions in the contracting process is threshold determination. You must determine government estimated cost of the requirement.

If the estimated cost is at or below the micro-purchase threshold of \$2,500; at or below \$50,000; or at or below the simplified acquisition threshold. Remember, do NOT assume that you have authority to use simplified acquisition procedures up to the simplified acquisition threshold. It depends on whether or not your activity is interim FACNET certified.

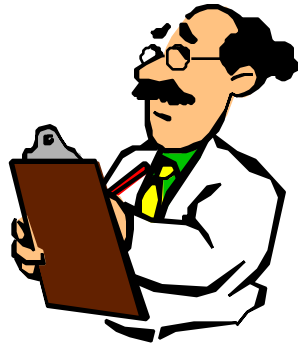
A micro-purchase is any acquisition that does not exceed \$2,500 (FAC 90-24, paragraph 13.101). However, the micro-purchase threshold for construction is \$2,000 due to the Davis-Bacon Act.

Every activity may currently use simplified acquisition procedures up to \$50,000. When the senior procurement executive of your agency certifies your contracting activity's interim FACNET capability, you may use FAR PART 13, Simplified Acquisition Procedures for actions up to and including \$100,000. More on the certification process will be presented in the next lecture.

Selecting a Simplified Acquisition Method

Micro-purchase

- Purchase card
- Blanket Purchase Agreement
- SF-44
- Imprest fund
- Delivery Order
- Purchase Order



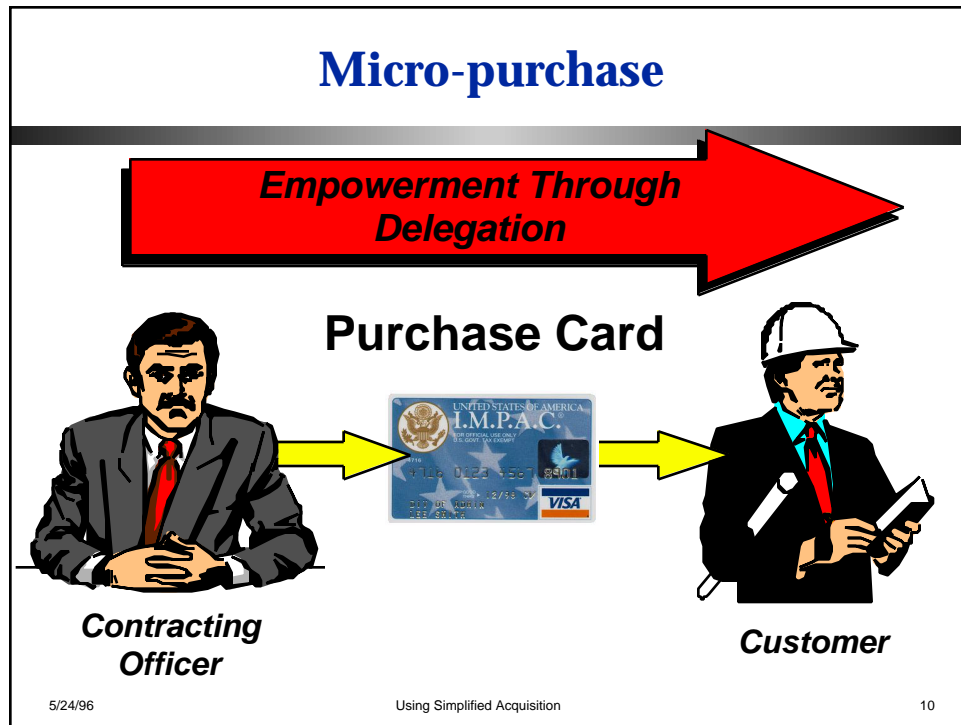
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9

A subsequent function in the contracting process is selecting a simplified acquisition method. If the estimated price is at or below the micro-purchase threshold of \$2,500, any of the following methods can be used: purchase card, blanket purchase agreement, SF-44, imprest fund, delivery order, or purchase order. However, the purchase card is the preferred method at or below the micro-purchase threshold.

Next, I will discuss some features of the powerful tandem, micro-purchase and purchase card, and that will be followed by a brief discussion of each of the other methods.



The use of the micro-purchase threshold and the purchase card is a prime example of empowerment through delegation. The purchase card is also called an IMPAC card. IMPAC stands for International Merchant Purchase Authorization Card and is issued by Rocky Mountain Bank Card System which has the contract with GSA for the purchase card services.

The FAR encourages agency heads to delegate micro-purchase authority to end users -- which means that they will buy for their offices rather than submitting purchase requests to contracting activities.

Contracting officers whose authority will be limited to micro-purchases shall be appointed in writing in accordance with agency procedures. However, if a contracting officer's authority is limited to the micro-purchase threshold and the Head of Contracting Activity determines that it is unlikely that the individual will conduct acquisitions in a total amount greater than \$20,000 in any 12 month period he is not considered a procurement official for the purpose of statutory prohibitions and restrictions.

Micro-purchase

Potential



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11

The potential for use of the micro-purchase threshold and the purchase card is significant. The Office of Federal Procurement Policy has estimated that the Federal Government conducts approximately nine million purchases under \$2,500 annually. Many of these potential purchases can now be conducted quickly, cheaply and directly between customer and source with a purchase card.

As of December, 1995, there were more than 142,000 cardholders from over 77 federal agencies with over 5,000 offices, departments, or activities participating. The average purchase value is \$300. (Call Jeanne Coco at (800) 227-6736 from Rocky Mountain BankCard System or Doris Marsh at (703) 305-7564 or Rebecca Koses (703) 305-5071 from GSA for more information.) (Update above previous usage figures at <http://www.fss.gsa.gov/credit.html>).

Micro-purchase



- **NOT subject to the Buy American Act or any form of small business set-aside**
- **Ordinarily, one quote still suffices**
- **Contracting officer must determine the price to be reasonable**
- **Distribute “equitably” among qualified suppliers**
- **Prohibited from splitting**

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12

Purchases under the micro-purchase threshold are NOT subject to the Buy American Act or any form of small business set-aside (FAC 90-29, paragraph 13.105(a)).

Ordinarily, one quote still suffices for acquisitions at or below \$2,500. However, the contracting officer must determine the price to be reasonable. Also, you are still required to distribute micro-purchases “equitably” among qualified suppliers (FAC 90-24, 13.602(b) and 603).

Finally, requiring activities are still prohibited from splitting requirements to stay under the micro-purchase threshold (FAC 90-24, 13.602 (c)).

BPA



- **Recurring need for the same or similar requirements**
- **Exact items, quantities and delivery not known**

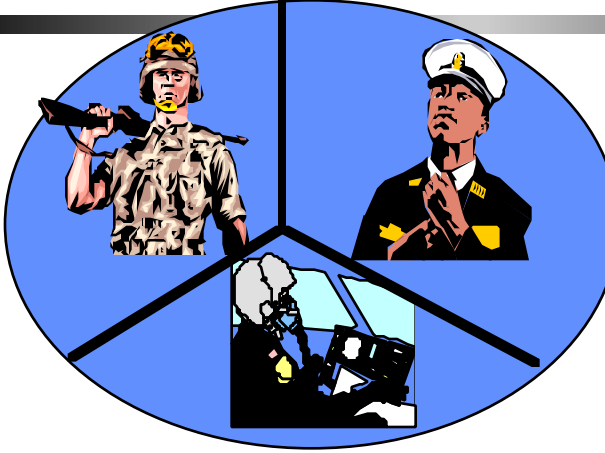
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13

A Blanket Purchase Agreement (BPA) can be established when it would preclude the preparation of a number of purchase orders. For example, when there is a recurring need for the same or similar requirements but the exact items, quantities and delivery requirements are not known in advance and may vary considerably, a BPA is appropriate. When establishing a BPA, one must comply with requirements for sourcing the BPA and establishing BPA terms and conditions. Once established, calls or orders can be made against the BPA. These calls can be electronic or by other means.

SF-44



- **On-the-spot, over-the-counter**
- **Supplies and nonpersonal service**
- **Away from the purchase office or at isolated activities**
- **Unusual and compelling urgency or in support of a contingency operation**

5/24/96 Using Simplified Acquisition 14

A Standard Form 44 (SF44), Purchase Order-Invoice-Voucher is a pocket-size purchase order form designed primarily for on-the-spot, over-the-counter purchase of supplies and nonpersonal services while away from the purchasing office or at isolated activities. Often the SF44 is used under circumstances of unusual and compelling urgency or in support of a contingency operation.

Imprest Fund



- Over-the-counter
- Using cash

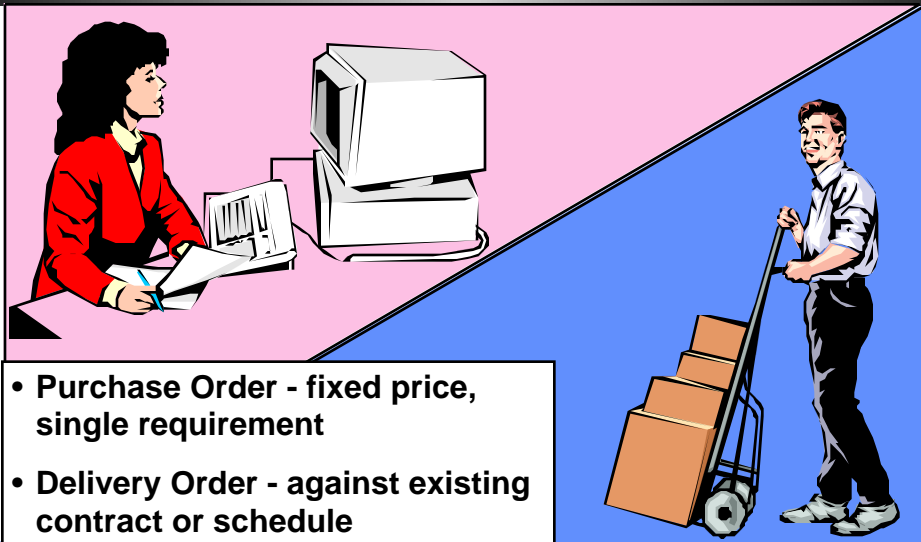
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15

The imprest fund method allows an over-the-counter purchase by a customer using cash.

Purchase Order / Delivery Order



- **Purchase Order - fixed price, single requirement**
- **Delivery Order - against existing contract or schedule**

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16

The traditional purchase order is used for a fixed price order of a single requirement whereas a delivery order is an order made against an existing contract or schedule. Each method can be used for the micro-purchase.

Selecting a Simplified Acquisition Method

Other than Micro-purchase

- FACNET Purchase Order
- Non-FACNET Purchase Order
- Blanket Purchase Agreement
- SF 44
- Purchase Card
- Unpriced Order



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17

When selecting a simplified acquisition method for other than a micro-purchase, you have many of the same choices with some differences.

FACNET is the preferred means. The use of FACNET will be addressed in the next lecture.


The non-FACNET purchase order and blanket purchase agreement may be used up to \$50,000 or \$100,000 with FACNET certification.

The SF44 should be used under unusual and compelling urgency or in support of a contingency operation.

The purchase card can be used when the holder has authority to use the card above \$2,500. The use of that authority is dependent on agency procedures.

You may use unpriced orders, if circumstances warrant, up to \$50,000 or \$100,000 with FACNET certification. These orders can be conveyed electronically.

Let's look at some examples of appropriate use of some of the simplified acquisition methods.



What's Your Call?

Example


Legend	
P -Purchase Card	B -BPA
C -Contract	S -Standard Form 44
I -Imprest Fund	U -Unpriced Order
O -Purchase Order	X -Contingency SAT

Requirement	P	C	I	O	B	S	U	X
The local Naval Reserve Training Unit needs 120 coffee cups with decorative crest for a recruiting drive during the first quarter of the fiscal year. Estimated cost is \$10 per mug. Priority is routine and the recommended source is Murphy's Memorabilia.								

5/24/96
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18

Assume you are a contracting officer in the Contracting Directorate at a Defense Installation. Your office does not have FACNET capabilities. You sit down at your desk and have an in-box with new requirements. You put a control sheet on each one and make simplified acquisition method recommendations before passing them to your specialists. You can place a check mark in the box to select an appropriate method as follows: Purchase Card (P), Contract (C), Imprest Fund (I), Purchase Order (O), Establish Blanket Purchase Agreement(s) (B), Standard Form 44 (S), Unpriced Order (U) or Contingency SAT (X). Read this requirement. What's your call?

Since the requirement is under the micro-purchase threshold, the purchase card (P) would be the preferred solution. What if there is a requirement like this each quarter? Is that splitting?



What's Your Call?

Example


Legend	
P -Purchase Card	B -BPA
C -Contract	S -Standard Form 44
I -Imprest Fund	U -Unpriced Order
O -Purchase Order	X -Contingency SAT

Requirement	P	C	I	O	B	S	U	X
<p>The Installation Transportation Motor Pool is closing the Paint Shop for 18 months during renovation. As a result all of the small paint jobs done "in-house" must be performed by body shops near the installation. There are at least 4 sources for this service. While it is difficult to predict the workload, records indicate there is an average of 10 jobs per month. The estimated cost per job ranges from \$200 to \$3000 including labor and materials. It is important to return the vehicles to service quickly, so more than one source is needed.</p>								

5/24/96
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19

Read this requirement. What's your call?

Since there is a recurring need for the same or similar requirements but the exact items, quantities, and delivery requirements are not known in advance and may vary considerably, a BPA (B) is appropriate. Is there another approach? Could a purchase card be part of another approach?



What's Your Call?

Example


Legend	
P -Purchase Card	B -BPA
C -Contract	S -Standard Form 44
I -Imprest Fund	U -Unpriced Order
O -Purchase Order	X -Contingency SAT

Requirement	P	C	I	O	B	S	U	X
The local Army Reserve Training Unit will deploy on a training exercise to the Middle East and will need to make local purchase of supplies incidental to training needs. No single purchase will exceed \$1,000.								

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20

Read this requirement. What's your call?

Since there is a requirement for purchase of supplies while away from the purchasing office or at isolated activities an SF44 (S) is appropriate. Is there another approach? Could a purchase card be part of another approach?



What's Your Call?


Example

Requirement	P	C	I	O	B	S	U	X
<p>The 83d Airborne G4 needs construction supplies to support the deployment to Lebanda, for a presidentially-designated contingency, OPERATION RESTORE CONFIDENCE. The only known source is Fratelli Murray in Dalonia, the Capital of Lebanda. Delivery is required 3 days from now in Dalonia. The bill of materials follows: 10,000 each -2" x 4" x 8' construction grade, 2,000 each -2" x 6" x 16' construction grade, 2,000 sheets - 3/4" x 4' x 8' plywood, 1,000 lb. of 20 penny nails, 2,000 lb. of 8 penny nails. Estimated total cost is \$162,000 including delivery</p>								

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21

Read this requirement. What's your call?

The total cost of \$162,000 exceeds your authority to use simplified acquisition procedures. However, since there is a contract to be awarded and performed, or purchase to be made outside the United States in support of a contingency operation, it is appropriate to use simplified acquisition procedures up to \$200,000 or contingency SAT. (X) is an appropriate choice. Is there another approach?



What's Your Call?

Example

Legend	
P -Purchase Card	B -BPA
C -Contract	S -Standard Form 44
I -Imprest Fund	U -Unpriced Order
O -Purchase Order	X -Contingency SAT

Requirement	P	C	I	O	B	S	U	X
The Installation Engineer has a top priority requirement to respond to damage caused by the violent storm that passed through one hour ago. Over 100 trees are lying on installation streets and must be removed immediately to allow for emergency traffic. Heavy equipment is needed to provide the relief. The estimated cost is between \$20,000 and \$30,000 dollars. Work must start immediately.								

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22

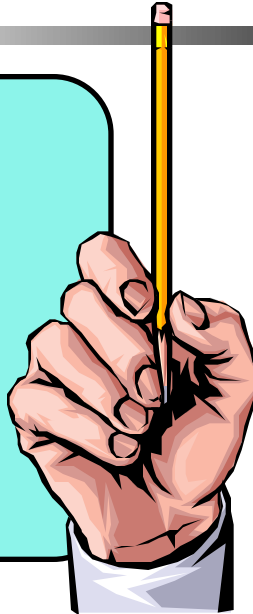
Read this requirement. What's your call?

This is a requirement that can be met with an unpriced order (U) because:

- It is anticipated that the transaction will not exceed your authority to use simplified acquisition.
- It is impractical to obtain pricing in advance of issuance of the purchase order.
- The purchase is for services for which prices are known to be competitive but exact prices are not known.

Method of Solicitation

- ***By FACNET***
- ***Orally***
- ***By paper RFQ***
- ***By other means***



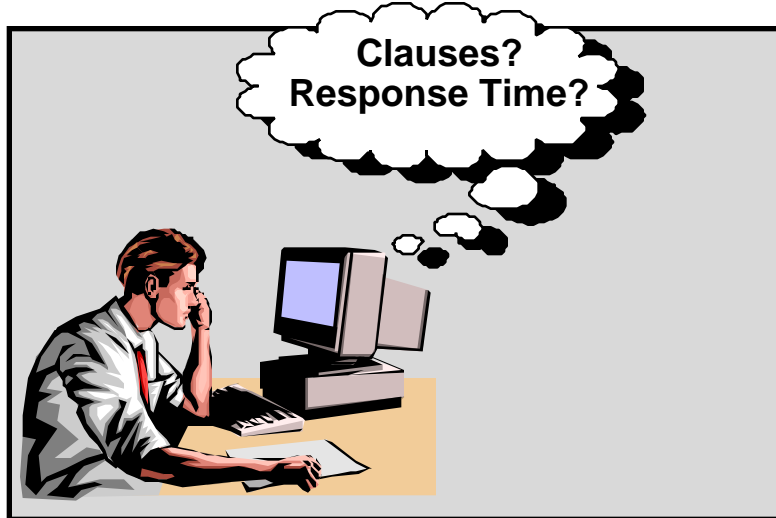
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23

If FACNET is the simplified acquisition means, solicit quotes through FACNET. When the expected price does not exceed \$25,000 and the acquisition will not be made through FACNET, solicit orally to the maximum extent practicable. If a non-FACNET acquisition exceeds \$25,000, you may solicit orally, on paper, or electronically. However, for construction contracts over \$2,000 only use paper or electronic solicitations.

Preparing RFQs



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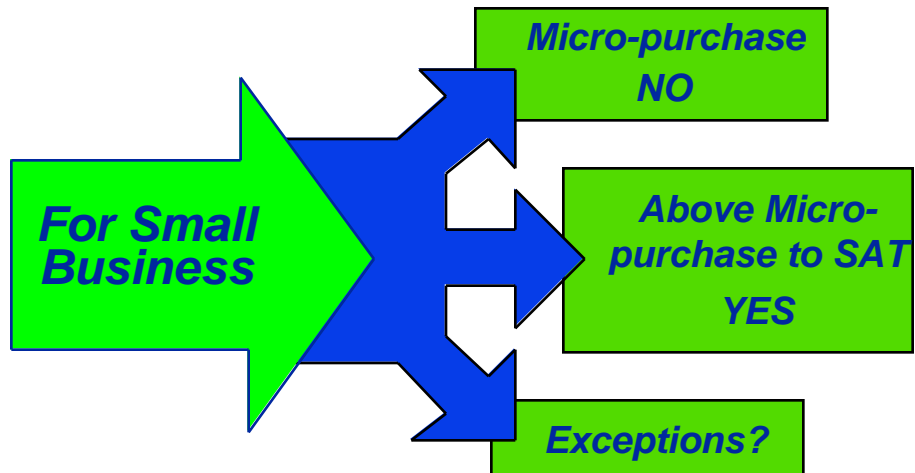
24

When preparing an RFQ at or below the simplified acquisition threshold, it should be noted that the following clauses are no longer required:

- Miller Act solicitation requirements.
- Officials not to benefit.
- Contingent fee representation and agreement.
- Covenant against contingent fees.
- Restrictions on subcontractor sales to the Government.
- Anti-kickback procedures.
- Examinations of records by Comptroller General.
- Contract Work Hours & Safety Standards Act - overtime compensation.
- Certification regarding a drug-free workplace.
- Drug-free workplace.

Also, when preparing an RFQ, establish deadlines for the submission of responses to solicitations which offer contractors a reasonable opportunity to respond -- especially when soliciting via FACNET or over \$25,000. Consider the circumstances of the individual procurement such as the complexity, commerciality, availability, and urgency when establishing the solicitation response time.

Set-Asides



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25

Set-asides for small business are summarized here. Micro-purchases are not subject to set-asides. However, all simplified acquisition threshold purchases above micro-purchase are exclusively set-aside for small business. There are exceptions to the set-asides.

Exceptions to Set-Asides

- **Rule of Two**
- **Outside the United States, its territories, and its possessions, Puerto Rico, and the Trust Territory of the Pacific Islands**
- **Part 8 required sources**
- **Federal Supply Schedules or from any Federal Information Processing Multiple Award Schedule contracts**
- **Acquisitions over \$25,000 by “participating agencies as discussed in FAR Subpart 19.10, Small Business Competitiveness Demonstration Program”**



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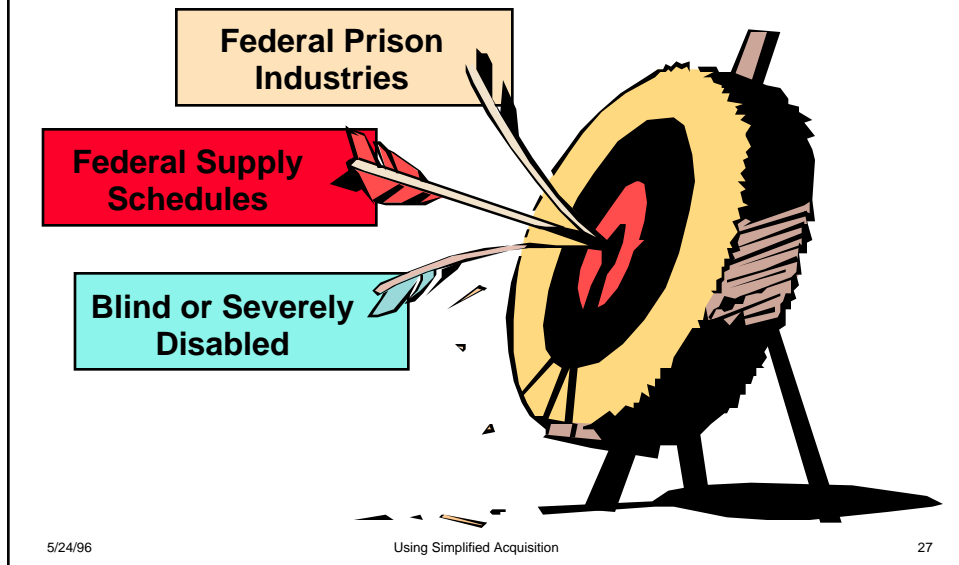
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26

Exceptions to the set-aside rule include:

- Situations where the contracting officer does not anticipate two or more responses from small businesses.
- Those made outside the United States, its territories, and its possessions, Puerto Rico, and the Trust Territory of the Pacific Islands.
- Part 8 required sources.
- Federal Supply Schedules or from any Federal Information Processing Multiple Award Schedule contracts.
- Acquisitions over \$25,000 by “participating agencies listed at FAR Subpart 19.10. That is where the FAR outlines the Small Business Competitiveness Demonstration Program.

Required Sources



To emphasize, as mentioned in the previous slide, requirements for setting aside contracts under FAR PART 19 do not apply to purchases from required sources of supply such as Federal Prison Industries, Committee for Purchase from People who are Blind or Severely Disabled, or Federal Supply Contracts.

You must still acquire supplies and services available from the required sources in FAR Part 8. This is true regardless of whether the acquisition is above or below the micro-purchase threshold or above or below the simplified acquisition threshold.

Nonmanufacturer Rule



SAT Small
Business set-aside
is *not automatic* for
dealers, brokers,
and other resellers

- Waiver
- Absent waiver

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28

Also, eligibility for the SAT small business set-aside is not automatic for dealers, brokers, and other resellers:

- Small business resellers are NOT automatically eligible for a small business set-aside if they propose to supply the products of a large domestic manufacturer or producer. However, this constraint does not apply if SBA waives the nonmanufacturer rule (94-770, deletion of §19.501(f)).
- If SBA waives the rule, a small business supplier can furnish domestic products made by large businesses or products made in foreign manufacturing or production facilities (within constraints of the policies on foreign acquisition in Part 25) — as long as the small business reseller meets the other tests of FAR Part 19.102 for set-aside eligibility.
- Absent the waiver, a non-manufacturer is eligible for a small business set-aside only if:
 1. It employs no more than 500 employees.
 2. The product was made or produced by a small business manufacturer or producer.

Competition

- ***FACNET Acquisitions and Other Acquisitions over \$25,000***
- ***Non-FACNET Acquisitions at or under \$25,000***
- ***Micro-purchases***



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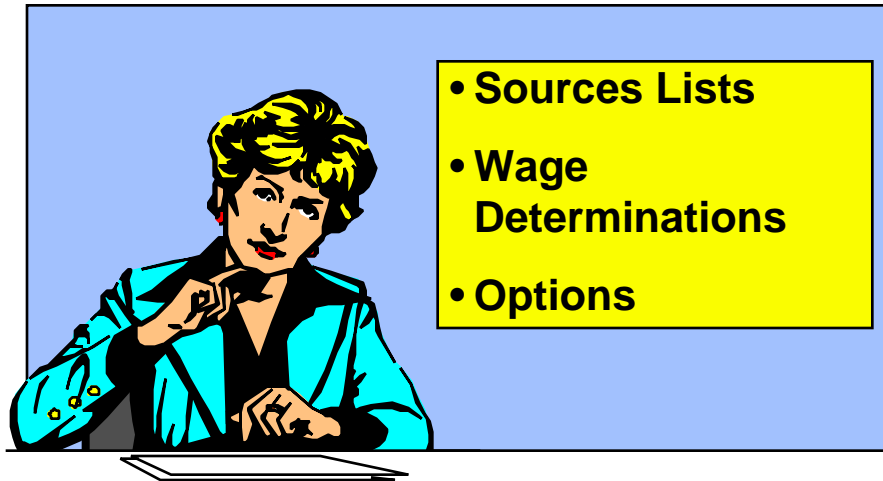
29

When it comes to competition, Part 6 does NOT apply to contracts awarded by the use of FACNET and other simplified acquisition procedures over \$25,000.

Ordinarily, three quotes still suffice for acquisitions under \$25,000.

Ordinarily, one quote still suffices for acquisitions at or below \$2,500.

Other Issues



5/24/96

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30

Here are some other simplified acquisition issues for consideration.

Sources lists still must be maintained for all non-FACNET solicitations over the micro-purchase threshold. Contracting officers do not have to maintain paper or electronic solicitation lists when their electronic commerce software automatically transmits solicitations to all interested sources participating in electronic contracting with the contracting activity.

As for wage determinations, they are still required by the Davis-Bacon Act on construction contracts over \$2,000; and by the Service Contract Act for contracts over \$2,500.

Part 13 expressly permits options in purchase orders if the requirements of subpart 17.2, Options, are met and the aggregate value of the acquisition and all options does not exceed the dollar threshold for use of simplified acquisition procedures.

Selection for Award



5/24/96

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31

Selection for award can be based on price alone or can include factors other than price, such as past performance, technical approach or quality.

However, all such factors must be stated in the solicitation, and the solicitation must notify suppliers that award will be based on price and on the stated non-price factors (FAC 90-29, paragraph 13.106-1(a)(1) and (b)).

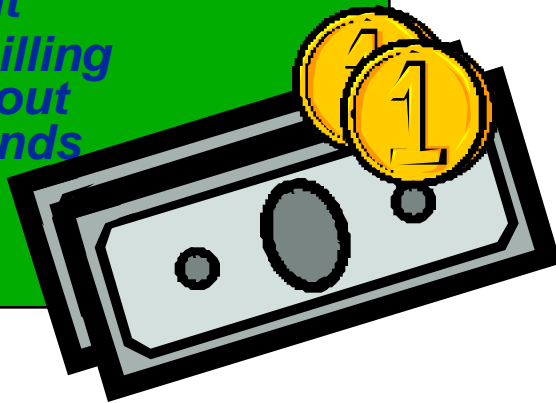
When selecting factors other than price, you do NOT have to prepare formal evaluation plans, or conduct discussions, or score the quotes or offers.

Evaluation may be based on such information as the contracting officer's knowledge, previous experience, or customer surveys.

When other than price related factors are considered in selecting the supplier, document the file to support the final contract award decision (FAC 90-29, paragraph 13.106-2(b)).

Method of Payment

- *Purchase card*
- *Fast payment*
- *Traditional billing
(with or without
electronic funds
transfer)*



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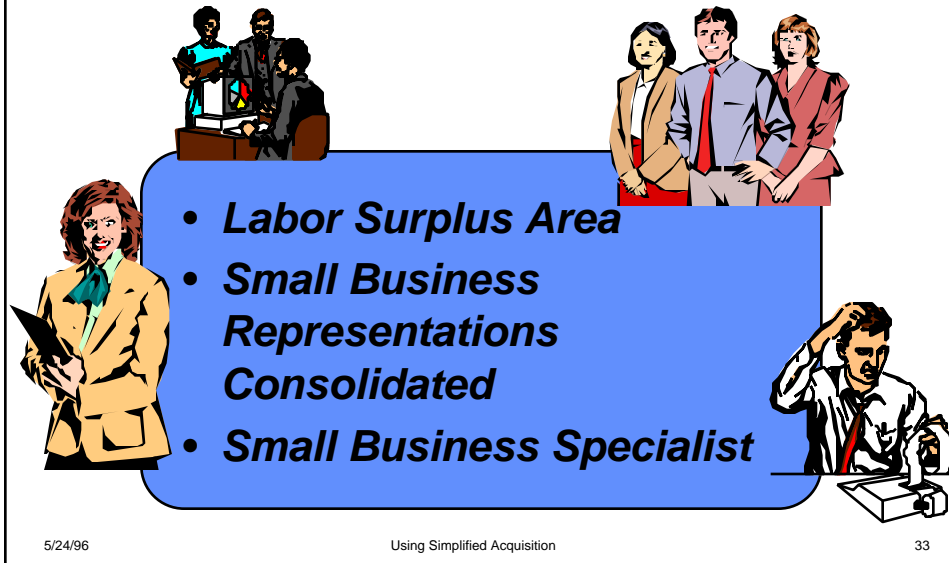
32

FACNET purchases may be paid by means of the government commercial purchase card or by electronic funds transfer or other such means (FAC 90-29, paragraphs 4.504(b)(6); 13.601(c)).

No change has been made to Fast Payment procedure--the \$25,000 ceiling remains (except that executive agencies may permit higher dollar limitations for specified activities or items on a case-by-case basis - FAC 90-29, FAR Subpart 13.3).

The new method of payment is the purchase card. You may use the card to pay for transactions up to the simplified acquisition threshold in accordance with agency procedures. (FAC 90-29, paragraphs 4.504(b)(6); 13.601(c)).

Small Business Policies

A central blue rounded rectangle contains a bulleted list. Surrounding this rectangle are four illustrations: a group of three people at a desk in the top left, three people standing in the top right, a woman in a yellow jacket holding a folder on the left, and a man in a white shirt looking stressed at a desk on the right.

- ***Labor Surplus Area***
- ***Small Business Representations Consolidated***
- ***Small Business Specialist***

5/24/96 Using Simplified Acquisition 33

Specific changes have taken place in small business policies. First, contracting officers will continue to provide consideration to labor surplus area small business concerns ONLY as a tie-breaker in the event of equally low bids.

The first tie-breaker remains, "Small business concerns that are also labor surplus area concerns"; the advantage NO longer goes to the labor surplus area concerns.

Second, the following four small business representations have been consolidated:

- Small Business Concern Representation.
- Small Disadvantaged Business Concern Representation.
- Women-Owned Small Business Representation.
- SIC Code and Small Business Size Standard.

Finally, the old "Small and Disadvantaged Business Utilization Specialist" title has been changed to "Small Business Specialist."

Using Simplified Acquisition - Conclusion

Major Changes

Thresholds

Micro-purchase / Purchase Card

FACNET

Other Changes

Use of Clauses

Set-Asides



5/24/96

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34

FASA has accomplished the goal of streamlining in the area of simplified acquisition. Changes have been made to reduce the costs associated with the process, improve opportunities for small and disadvantaged business concerns, promote efficiency and economy in contracting, and avoid unnecessary burdens for agencies and contractors.

Some of the major changes are thresholds, FACNET, and the powerful concept of micro-purchase combined with purchase card. Other changes addressed set-asides and the use of clauses. Taken together, the Federal Government and contractor community now has the opportunity to take advantage of reform by using simplified acquisition. This completes the lecture. Are there any questions?

Next, I will tell you about the exercise you will be doing.

Using Simplified Acquisition Exercise

- **Purpose - Reinforce use of Simplified Acquisition Methods**
- **Length 2-1/2 Hours**
- **Type - 20 “In-Box” Requirements; Case Study**
- **Small Groups - Report Out to Plenary Session**



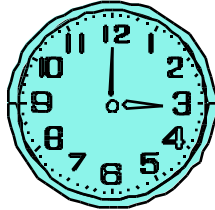
5/24/96

Using Simplified Acquisition

35

You will experience an exercise designed to reinforce the use of simplified acquisition methods. It will last 2-1/2 hours and will consist of 20 “in-box” requirements similar to the examples in this lecture as well as a case study concerning eligibility for set-asides. You will be divided into small groups to develop individual solutions and then group solutions to the requirements. Each group will be asked to “report out” their group solution to the plenary session.

Using Simplified Acquisition Exercise



Facilitator Time Guide



Item	Duration
Group - Exercise Orientation	10
Individual Solutions to In Box	25
Individual Solution to Case Study	25
Group Solution to In Box; Case Study	50
Report Out	40

5/24/96

Using Simplified Acquisition

36

As a guide, I recommend you divide your time as follows:

- 10 minutes for group and exercise orientation.
- 25 minutes for individuals to select in-box solutions and determine the supporting rationale.
- 25 minutes for individuals to solve the case study.
- 50 minutes for the group to arrive at the consensus group solutions to both the in-box and case study solutions.
- 40 minutes for report outs in plenary session.

Breaks can be taken during before the plenary session as coordinated with your group leader.

Using Simplified Acquisition Exercise

Briefing Template

Legend	
P -Purchase Card	B -BPA
C -Contract	S -Standard Form 44
I -Imprest Fund	U -Unpriced Order
O -Purchase Order	X -Contingency SAT

Requirement	P	C	I	O	B	S	U	X



5/24/96

Using Simplified Acquisition

37

When you return to the plenary session, your group will use a briefing template like the one displayed here to brief the group solution to the in-box requirement.

Using Simplified Acquisition Exercise

Briefing Template

Product	# SB Manufacturers	Waiver
Legal Pads, 50 Sheet		
Hydrochloric Acid		
Formaldehyde		
Alkaline Batteries		
High Nickel Alloy Rods		
Steel Rods		
Copy Paper		

No Waiver, less than 500	No Waiver, Produced by SB

Rule of 2	Eligible



5/24/96

Using Simplified Acquisition

38

The case study briefing template looks similar to this. I have broken it into three pieces to emphasize the problem solving procedures. You will be asked to make set-aside eligibility determinations for a number of requirements listed here. The recommended procedures are as follows:

1. You will have profiles of seven suppliers. Using supplier numbers 1-7, list the SB manufacturers of each product. Ignore large businesses. If there are two SB manufacturers, the product is eligible for a set-aside.
2. You will be provided a list of products that have waivers to the non-manufacturer rule. Find which products have waivers.
3. For those products with no waiver, list the supplier numbers that meet two eligibility criteria.
4. Determine set-aside eligibility for those products with waivers and a total of two manufacturers and/or non-manufacturers.
5. Determine set-aside eligibility for those products without waivers and with a total of two SB manufacturers and/or SB non-manufacturers that meet the three eligibility criteria. It may be difficult to envision the process without the exercise in front of you, but at least you will have some orientation to start.

Are there any questions? Go to the breakout rooms and be back here at (START TIME FOR PLENARY SESSION) to begin the report out.